

SENATE RECORD VOTE ANALYSIS

104th Congress
1st Session

Vote No. 495

October 23, 1995, 6:00 p.m.
Page S-15493 Temp. Record

JERUSALEM EMBASSY/No Tax Relief, Medicare

SUBJECT: Jerusalem Embassy Relocation Implementation Act of 1995 . . . S. 1322. Roth motion to table the Dorgan amendment No. 2940.

ACTION: MOTION TO TABLE AGREED TO, 51-40

SYNOPSIS: As reported, S. 1322, the Jerusalem Embassy Relocation Implementation Act of 1995, will make it the United States' policy to relocate the United States Embassy in Tel Aviv, Israel, to Jerusalem by May 31, 1999.

The Dorgan amendment would express the sense of the Senate:

- that the Senate should approve no tax legislation which reduces taxes for those making over \$250,000 per year; and
- that the savings from limiting any tax reductions in this way should be used to reduce any cuts in projected Medicare spending.

Debate was limited by unanimous consent. Following debate, Senator Roth moved to table the Dorgan amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

Those favoring the motion to table contended:

On September 22, our Democratic colleagues offered a nearly identical amendment (see vote No. 460), which was defeated on a party-line vote. The only difference is that this time they have suggested that Americans making less than \$250,000, instead of \$101,000, should not be given tax breaks. Neither the arguments for nor against the previous amendment hinged on \$101,000 as some sort of magical number, so, unless we have a lot of fickle-minded Senators, the result on this vote will be the same. To satisfy their curiosity, our Democratic colleagues may offer this same amendment every month, or every week, or every other day, to see if by chance a majority of Senators may suddenly support it, though we think more constructive uses could be found for the Senate's time if they would instead accept our assurances that we will continue to find it objectionable.

The basic premise of the Dorgan amendment, that there is a connection between the slowing of the rate of growth in the Medicare program and the tax reductions in this bill, is demonstrably false. Medicare will be operating in the red by next year, and will be

(See other side)

YEAS (51)			NAYS (40)		NOT VOTING (8)	
Republicans (50 or 100%)	Democrats (1 or 2%)		Republicans (0 or 0%)	Democrats (40 or 98%)	Republicans (3)	Democrats (5)
Abraham	Hutchison	Lieberman		Akaka	Faircloth ⁻²	Bradley ⁻²
Ashcroft	Inhofe			Baucus	Helms ⁻²	Daschle ⁻²
Bennett	Jeffords			Biden	Kassebaum ⁻²	Inouye ⁻²
Bond	Kempthorne			Bingaman		Kerrey ⁻²
Brown	Kyl			Boxer		Nunn ⁻²
Burns	Lott			Breaux		
Campbell	Lugar			Bryan		
Chafee	Mack			Bumpers		
Coats	McCain			Byrd		
Cochran	McConnell			Conrad		
Cohen	Murkowski			Dodd		
Coverdell	Nickles			Dorgan		
Craig	Pressler			Exon		
D'Amato	Roth			Feingold		
DeWine	Santorum			Feinstein		
Dole	Shelby			Ford		
Domenici	Simpson			Glenn		
Frist	Smith			Graham		
Gorton	Snowe			Harkin		
Gramm	Specter			Heflin		
Grams	Stevens					
Grassley	Thomas					
Gregg	Thompson					
Hatch	Thurmond					
Hatfield	Warner					

EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

totally broke by 2002. Numerous reforms can and should be made that will substantially cut the phenomenal rate of growth in the program without cutting services. We have proposed making reforms in this bill that will result in Medicare spending growing at "only" twice the rate of inflation. Many Democrats look at Republican's willingness to enact the needed reforms as a political opportunity. They demand that Republicans allow Medicare spending to grow even faster, and they do their best to alarm America's senior citizens into believing that they will be denied health care. Their behavior is disreputable. They know that they have not offered any serious proposal to save Medicare, and they keep offering amendments like the Dorgan amendment that would hasten Medicare's collapse, but at the same time they pretend to be the defenders of senior citizens. We hope they are only pursuing this duplicitous tact to try to win votes. We would hate to think they also are really trying to win on this issue, because if they are, that would mean that they are willing to destroy Medicare for their own political advantage.

Under this bill, every penny saved from reducing the rate of growth in Medicare will be put directly back into the Medicare trust fund to increase its solvency. Savings from Medicare will not be used for tax cuts. Our colleagues are aware of this fact, yet they persist in saying otherwise.

The truth is that the money for the tax cuts will come as a result of balancing the budget. Virtually every economic analysis we have seen, including by the CBO, has stated that adopting a balanced budget amendment will result in a drop in interest rates of around 2 percent. A 2 percent drop in interest rates will mean thousands of dollars in extra income for middle-income American families. Mortgage, education, and other borrowing costs will plummet. The Federal Government will gain as well. Using a conservative 1.7 percent estimate, the Federal Government will save \$170 billion in interest payments over the next 7 years. This savings has been labelled the "fiscal dividend." This \$170 billion estimate does not assume any other changes in economic behavior--it does not assume, for example, that there will be an increase in economic activity from lower interest rates that will result in higher tax collections. Thus, in reality, it is a very low estimate.

Our Democratic colleagues would love to spend every penny of the dividend, and have offered one amendment after another to do so. We refuse--the dividend will be returned to middle-class taxpayers by cutting taxes. In total, \$245 billion worth of cuts will be provided. According to the CBO, providing these cuts in the next 7 years will not unbalance the budget. In effect, we will manage to lower the tax burden to about where it was when President Clinton first took office. In 1993, President Clinton and congressional Democrats enacted the largest tax hike in U.S. history (\$270 billion in tax and user fees.) President Clinton now admits that it was a mistake to raise taxes as much as he did. Our cutting taxes will not wipe out Federal tax collections--it will only wipe out the Democrat's \$270 billion mistake.

Most of the cuts will go to the middle-class. The centerpiece of the plan is to give a \$500-per-child tax credit. Democrats have consistently claimed that the tax cuts will be only for the rich, but the truth is that every independent analysis has shown that almost all of the savings over the next 5 years will go to Americans earning less than \$100,000 per year. Of course, we do not mind lowering taxes on wealthier Americans either. We see nothing wrong with letting people keep more of the money that they earned. Democratic Members are always envious of anyone who is successful, and want to redistribute the wealth (unless it happens to be their own); Republicans, on the other hand, want to adopt policies to make it possible for anyone to become wealthy.

We certainly are not going to join our colleagues in making a false connection between Medicare and tax cuts, and we certainly are not going to pump more money into Medicare when we know that action would only hasten its collapse by depleting its reserves more rapidly. We will therefore vote to defeat this amendment, as we did last month, and as we will whenever else our colleagues may feel compelled to offer it.

Those opposing the motion to table contended:

This amendment is really very simple. All it asks is that wealthier Americans forgo tax breaks so that a little less will be cut out of Medicare. Our Republican colleagues have proposed making a draconian, \$270 billion cut out of needed Medicare funding for vulnerable senior citizens. Elderly Americans who rely just on Social Security typically earn less than \$10,000 per year. Already, with current Social Security and Medicare funding levels, thousands of elderly Americans must make the cruel choice between buying adequate amounts of food or the medicine that they need. If this \$270 billion cut is allowed to pass, the suffering that will be visited upon them will be tremendous.

This cut is monstrous enough, but the reason it is being made is to us virtually unfathomable. That reason is to give \$245 billion in new tax breaks, including to extremely wealthy Americans. This bill, which is going to cut so much from Medicare and welfare programs, hurting the neediest among us, will not ask anything of wealthy Americans. They will not be asked to share the burden of balancing the budget; instead, they will be given tens of billions of dollars in new tax breaks. Senators tell us there is no connection between their proposed \$270 billion Medicare cut and their proposed \$245 billion gift to rich Americans, but to us the connection is obvious. The Dorgan amendment would oppose this connection, and thus merits our support.